



# DEPARTMENT OF ADMINISTRATIVE SERVICES'

## PROPOSED FEES AND RATES

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE  
STAFF: SEÁN FAHERTY**ISSUE BRIEF**

[UCA 63J-1-504\(5\)](#) states, "Each fee agency shall submit its fee schedule or special assessment amount to the Legislature for its approval on an annual basis. The Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency."

The introduced version of [House Bill 8](#), 2017 General Session, shows the Department of Administrative Services' (DAS) proposed fees and rates for FY 2018.

The **Department of Administrative Services (DAS)**. DAS provides dozens of services, charged at hundreds of rates through its divisions. Highlights of changes from FY 2016 to FY 2017 fees and rates include the following:

The **Division of Risk Management** proposes no property rate changes but a limited number of property premium increases in FY 2018 due mainly to improved accuracy in valuation of existing properties and increased square footage because of new construction.

The **Division of Fleet Operations** proposes the following rate adjustments:

- Charging the actual 2013 contract price for leases, instead of by class, and removing some of the additional fees associated with the monthly vehicle lease rate. Charging the 2013 contract price would increase monthly lease rates by 0.62%, but the removal of the other fees creates a net decrease in impact to the agencies of approximately \$173,000.
- Increasing the low volume (less than 60,000 gallons per year) per gallon charge at State re-fueling sites from \$0.065 in FY 2017 to \$0.105 in FY 2018.
- Increasing all state travel agency service fees by \$1.00 and reducing the Rental Car Admin Fee as follows:

Travel Agency Service Fee	2017	2018	Increase/(Decrease)
Online	\$15.00	\$16.00	6.66%
School/Higher Ed Agents	\$15.00	\$16.00	6.66%
State Agents	\$20.00	\$21.00	5.00%
Agent Group (46+ people)	\$17.50	\$18.50	5.71%
Agent Group (26-45 people)	\$20.00	\$21.00	5.00%
Agent Group (16-25 people)	\$22.50	\$23.50	4.44%
Agent	\$25.00	\$26.00	4.00%
Rental Car Admin Fee	3.5%	1.0%	(71.43%)

The **Division of Purchasing and General Services** proposes a significant restructuring to State Mail and Distribution Services and their associated rates. These services have seen a decline over the past four years resulting in retained earnings declines and net income losses with projections placing losses at over \$1 million in FY 2018. A July 2016 Audit of State Mail couriers and rates found that the current structure does not reflect actual costs and needs to be adjusted to adapt to current usage and stem losses. The current rate structure also does not reflect separate costs to both produce mail and deliver it using courier services.

The proposed structure from DAS would break out these two costs beginning in FY 2018 and would increase mail production rates to more accurately reflect actual costs. These changes will allow State Mail to provide a transparent comparison to private vendors for its customer departments and will reduce its income loss by a projected \$234,000 in FY 2018.

### **Division of Facilities Construction and Management**

- Rate adjustments for 13 programs in FY17 that total about \$781,481
- Rate adjustments for 15 programs in FY18 that total about \$883,000
- New labor rates for staff for work not included in standard Operation and Maintenance agreements with agencies

### **Division of Finance**

- Two rate increases for the DAS Consolidated Budget and Accounting Section that are based on increased salary and benefit costs; CBA's services are provided primarily to the Department of Administrative Services

### **Finance Mandated**

- On the Proposed fees and rates brief, there was a small change for the Parental Defense program. The fee was raised from \$100 to \$150, so it may need to be mentioned in the narrative section?